

## INSIDER'S EDGE: Issue 152: Blended Family Household Construction

This week, we're focusing on a blended family (also called a stepfamily) and questions regarding their Medicaid or Qualified Health Plan (QHP) eligibility.

### Let's meet this week's family:



Phyllis and her son Michael are enrolled in Medicaid coverage. Phyllis has sole custody of Michael and has claimed him as a dependent in past tax filings. Phyllis is getting married to David, who is enrolled in a QHP with [advance premium tax credits \(APTC\)](#) and [cost-sharing reductions \(CSR\)](#).

### **The Question: After they marry, is David's income counted toward Michael's household income?**

The answer is YES, although the reason why depends on the tax filing status of each person. Here are the [household construction rules](#), just in case you need a refresher!

- **If Phyllis and David file their taxes as “married filing jointly” (claiming Michael as dependent):**

Under the tax dependent household rules, Michael's household will include himself and the tax filers claiming him as a dependent (Phyllis and David). Michael will have a household of 3. Therefore, David's income is counted in Michael's household.

Phyllis and David will also each have a household of 3. Under the tax filer household rules, Phyllis and David's household must include themselves, their spouse, and their dependents.

- **If Phyllis and David file their taxes as “married filing separately” (Phyllis claiming Michael as a dependent):**

Under the tax dependent household rules, Michael's household will include himself, the tax filer claiming him as a dependent (Phyllis), and the tax filer's spouse (David) if living with the tax filer. Since Michael lives with Phyllis and David, they are both counted in his household, even if David does not claim him as a dependent.

Under the tax filer household rules, Phyllis's household must include herself, her spouse, and her dependents. The same tax filer rules apply to David, but in this example, David is not claiming Michael as a dependent, so he is not included in David's household. The households would look like this:

- Michael's household: 3 (Phyllis, Michael, and David)
- Phyllis's household: 3 (Phyllis, Michael, and David)
- David's household: 2 (Phyllis and David)

**Could Michael be found eligible for the Maryland Children's Health Program (MCHP) or the Maryland Children's Health Program (MCHP) Premium even if Phyllis is no longer eligible for Medicaid once David's income is included in the calculations?**

Yes! Michael may be found eligible for MCHP if his household income is less than 211% of the Federal Poverty Level (FPL) or MCHP Premium if his household income is less than 322% FPL. For a family of three, that's \$43,086 and \$65,752 annual income, respectively. A child is not eligible for MCHP or MCHP Premium if they have other insurance coverage (e.g. employer-sponsored insurance through a parent or step-parent).



*The doctor is in! Maybe he's a paw-diatrist?*

**If Phyllis is no longer eligible for Medicaid, how can she continue to receive health coverage after the marriage?**

After a qualifying life event, customers typically have 60 days to enroll in or change their QHP coverage outside of the annual open enrollment period. Getting married will make Phyllis (and David) eligible for a Special Enrollment Period (SEP). A SEP allows an individual to apply for benefits using Maryland Health Connection outside the open enrollment period. Life changes should be reported to Maryland Health Connection as soon as possible.

After they marry, Phyllis and David should update their information as soon as possible through Maryland Health Connection. The effective date of their new QHP coverage will be the first of the following month or the first of the next following month, depending on the date of plan selection. In order to be eligible for APTC or CSR, Phyllis and David must file their taxes as "married filing jointly."

Read more in [INSIDER'S EDGE: Issue 60: Special Enrollment Period and Other Life Changes](#).

**Reminder:** Open enrollment does **not** apply to Medicaid applicants. Customers can apply for Medicaid at any time year round.

**Questions?** Send an email to [dhmh.medicaidmarge@maryland.gov](mailto:dhmh.medicaidmarge@maryland.gov).